PERSONS WITH DEVELOPMENTAL DISABILITIES

PROGRAM AND FINANCIAL MANAGEMENT AUDIT REVIEW

FINAL REPORT

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Submitted to:

The PDD Provincial Board

Submitted by:

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EXECUTIVE SUMMARY

INTRODUCTION

From the 1980s to 1998, six service regions in Alberta were charged with providing services to Persons with Developmental Disabilities. As regions were reasonably autonomous they established their own systems with a minimum of standardization or consistency across the province. In 1998, six Community Boards and a Provincial level board were set up with the purpose of bringing decision making closer to the community. A cooperative, collaborative approach was introduced to replace autonomous decision making and equity of service provision across the province became the ideal.

In March 1999, the Provincial Persons with Developmental Disabilities (PDD) Board conducted a Program and Financial Management Audit Review, primarily to assist it in understanding the differences in costs between programs and regions. Additionally, the review was intended to initiate development of a set of criteria for funding allocation, to determine where and why inequities exist across regions, and to help regions learn from each other's best practices. This report is based on the findings from that review.

Information for the review was obtained using several different approaches including a survey of staff in the regions, follow-up meetings or telephone conversations with staff to verify information provided in the survey and to identify and discuss issues, and through statistical reports from the Client Services Systems (CSS). The report uses these findings as a basis for analysis and discussion.

CONCLUSIONS AND KEY ISSUES

When the findings for this report are considered as a whole, several key issues emerge.

- Data on the CSS is neither accurate nor complete, particularly for Contract Funding. The regions also have concerns about the timeliness and format of CSS reports. Consequently, regions are creating and operating their own systems when much of the same information could be provided through CSS. **The problems with CSS have to be remedied, and a concerted effort made to explain the merits of CSS to regional staff and service providers**. With improvements, it can become a useful management information system for tracking, planning and accountability.

- Because of the quality of the data available, the statistics in the report are based solely on November 1998. **Further analysis is needed to determine whether these are typical or reflective of patterns**. This can be achieved by tracking data over time and using the prototypes in the report. Asking service providers to provide information on Contract Funding clients as they

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currently do for Individual Funding would improve the quality of data. In other words, consideration should be given to making CSS a payment system for both Contract and Individual Funding.

- In terms of funding allocations to regions, cost per case does not reflect either an accurate assessment of need or the quality of service provided. However, **new client numbers, wages and clients' age can be tracked over time as a basis for allocation** and to help regions respond appropriately. One of the first steps is to conduct a comprehensive study of wages and salaries.

- It may be time to **review whether greater efficiencies could be obtained by rolling Individual and Contract Funding together wherever possible**. This would depend on a staunch commitment to the principles and philosophy of Individual Funding and reassurance that service providers would continue to receive funding quarterly in advance of providing services. Compliance as a condition of funding would help ensure service providers collect data on each individual. Another option is to link Contract Funding to the payment system through the CSS. Two or three year staggered contracts would offset the additional workload. The benefits become principles of Individual Funding that apply to all, regions having more complete data, improved accountability, and a potential saving in administration time.

- The provincial PDD Board is looking for criteria to help it allocate funds, and the regions are similarly expecting to see a sound set of agreed to indicators on which future funding decisions will be made. The criteria have to be reasonably broad and equitable while allowing for unique circumstances within each region. Also, a way needs to be found to allow regions to retain and reinvest at least a portion of any cost savings.

  The Provincial PDD Board has to vouchsafe its commitment to persons with developmental disabilities and their families while working with Community Boards. It is through cooperation with the regions that the PDD Board will meet the objectives in the business plan. In allocating funding, the Provincial Board must be guided by its business plan and information that can be tracked and measured for each region. It must work with regions to identify mutually agreeable and suitable indicators, to allocate funds on the basis of those indicators and to hold regions responsible for proving their case where need exceeds the previous year's funding. For this model to work fairly and systematically, sound data is needed. Therefore, the Provincial PDD Board and Community Boards must establish as a priority the revision and improvement of the Client Services System. Not only will this make their planning more effective, it will also provide the required accountability.

RECOMMENDATIONS

1. That the Provincial and Community Boards make it a priority to ensure that accurate data is entered into the system and maintained regularly. This will involve verifying the nominal rolls and doing significant work on manual and regional systems to reconcile them with CSS data. In some regions, to ensure consistency, further training may be required for those entering the data and using the system.

2. That the initiative to standardize reporting and counting be made a priority. For management information to be useful, categories such as 'hours of service' and 'indirect service' must always be reported the same way.

3. That the CEOs and managers of the Provincial and Community Boards determine what new monthly reports they require to effectively manage the PDD system and request that those reports be generated.

4. That, in order to make maximum use of the CSS for management purposes, the systems analysts dedicated to this system by the former Family and Social Services be transferred to the provincial board. Without assured access to their expertise, there is a major risk that the CSS will never become a useful management information tool.

5. That the CSS data be refreshed twice a month.

6. That data gathering and reporting be the same for both Individual and Contract Funding. The information should be recorded in the same way, that is indirect service should be included in both and data should be entered consistently (monthly).

7. That a review of eligibility be conducted to see if clients with disabilities other than developmental disabilities should receive support elsewhere.

8. That a range of options to increase efficiency and reduce service delivery and administrative costs be explored and developed, particularly with respect to Contract Funding.

9. That service delivery costs for contract funded services be reported in a manner similar to that for Individual Funding.

10. That the Provincial Board, in cooperation with the Community Boards, conduct a detailed survey and analysis of existing wage rates province wide for all positions funded by Individual or Contract Funding.

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PERSONS WITH DEVELOPMENTAL DISABILITIES PROGRAM AND FINANCIAL MANAGEMENT AUDIT REVIEW

FINAL REPORT

INTRODUCTION

Responding to community needs

In 1981 the provincial Department of Social Services divided the province into six service regions with the intention of improving responsiveness to community needs. This move served to address perceptions at the community level that decisions made from Edmonton were remote and did not adequately reflect the views of the local community. Decision making was decentralized for a large number of departmental programs, including Services to People with Disabilities (SPD), with the primary value being that individual community differences could be reflected in the way services were delivered.

The six regions subsequently developed their own systems with a minimum of provincial standardization and consistency. For SPD, there were some collaborative activities, such as the development of the Client Services System (CSS), but service delivery decisions were made independently in each of the regions. Service provision in the region by the region became prime, and if someone moved to another region, service continuity was not the concern of the region of origin.

In recent years, in order to provide services to new clients, most regions have had to exceed their budget, with the deficit being covered by savings achieved by Alberta Family and Social Services in their Supports For Independence (SFI) program. Decision-makers in the department believed it was more important to meet the demand for service by people with disabilities than to operate within budget, and there were resources available to cover cost overruns.

Establishing boards

With the creation of the Provincial and Community PDD Boards in 1998 there was a change in the objectives of the delivery of services in Alberta. Rather than autonomous regional decision making, the new approach is cooperative, collaborative decision making at provincial and regional levels. To the degree possible, equity of service provision across Alberta has become the prevailing ideal, limited only by the fact that specialized services will not be available everywhere and issues such as transportation may restrict the options of individuals in some geographic locations.

About this report

In March 1999, the Provincial PDD Board conducted a Program and Financial Management Audit Review to assist it in understanding the differences in costs between programs and regions. This report is based on that review.

The report begins by outlining the methods for the review and the link between the review and the Provincial PDD Board's Business Plan. Next, the report presents an overview of the framework in place today, including the Client Services System (CSS). In *Findings and Analysis* the report draws on information gathered from the regions through a survey and discussions with region staff. One of the purposes is to draw implications from the data and make comparisons across regions. However, because this section also depends heavily on data from the CSS, a very important rider has been stated. Although every attempt has been made to verify the CSS statistics provided here, the consultants are not confident that the data is one hundred percent accurate, particularly where it refers to Contract Funding. Explanations are offered as to why this is so, but readers are cautioned not to rely exclusively on this data for decision-making. *The Findings and Analysis* section also offers recommendations.

Better understanding of differences

The primary purpose of the review was *to assist the PDD Board to increase its understanding of the differences in costs between programs and regions.* Additional purposes were:

- To assess approaches across regions to determine why inequities exist;
- To help each region learn from the others' strengths and efficiencies; and .
- To initiate development of a rationale and set of criteria for making funding allocations to each region.

With respect to differences in program delivery and cost, the Board was also interested in learning which factors were directly controllable and which were

not. There was also a desire to understand the differences in financial management practices among the various Boards and what options were available to improve them. Finally the Provincial Board sought service delivery strategies that would help achieve better equity in funding, including options for funding agency salaries.

Guidance from Provincial PDD Business Plan

In its Business Plan the Provincial Board identifies the characteristics it believes will be necessary in the future distribution of funds in order to include fully persons with developmental disabilities in community life. These include:

- Funding is directed to services that are meeting the expectations of people with developmental disabilities and their families.
- Variance in funding is due to the support requirements of the individuals receiving services.
- Funding allows for fair pay to the workers supporting persons with disabilities.
- Services offering similar supports and producing effective outcomes for people are treated equitably.
- Individuals and their families are able to control the funds provided to purchase supports and services.
- Funds for service supports are expended on direct support services.

Direction Two of the Business Plan states that services provided under the PDD Board Structure will be based on equitable funding and access to resources. To ensure that resources are distributed equitably, congruent with the philosophy of full inclusion, the Provincial Board identified the following key strategies.

- Design a method for determining needs and support costs for individuals and see that it is implemented province wide.
- Compare costs for similar services, including the level of support and achievement of outcomes on a province wide basis.
- Support strategies that actively address fair wages and skill development for staff who provide support to individuals.
- Implement strategies to ensure the funding of services is equitable across the province.

- Design and implement methods of individualizing group costs so that individuals and families can make informed decisions about expenditures.

- Require that portability of funds be a standard across the province.

- Examine the current funding methods in order to simplify administration and address existing inequities.

Approach to the review

The successful proposal for the Program and Financial Management Audit Review put forward a seven stage approach.

1. **An initial meeting with the Steering Committee** to give all partners in the project a chance to begin establishing a working relationship, verify or modify the methodology outlined, and identify issues or new information that could improve the effectiveness of the project.

2. **A review of the information from the PDD Provincial Board office**. This included appropriate definitions, budget allocations, breakdown of expenditures, program and financial information on Individual Funding, Contract Funding and operated facilities taken from the Client Services System (CSS) and the results of a survey with individuals receiving services and their families or guardians.

3. **The development of a survey to be forwarded to each community board** requesting responses and accompanying data in order to confirm existing provincial CSS data on client numbers and cost information on specific programs, as well as financial management procedures, use of information systems and training requirements for data entry and retrieval. Each board was provided with the number of clients and average cost per case for Individual Funding and Contract Funding for Community Living Supports, Employment Supports, Community Access and Specialized Supports. The information was for the months November 1998 to February 1999. Since the information was more complete for November and December, regions were asked to concentrate on those months.

4. **A detailed review of the regional information collected through the survey**, followed by further telephone and e-mail requests for additional data or clarification of responses already received. The review allowed for verification of clients served, costs per case, costs per month, operating costs with respect to direct services and administration for Individual Funding and contracted services in each region, as well as an initial picture of the financial procedures adopted in each region.

5. **A visit to each regional office to interview the CEOs and/or senior staff** to discuss any outstanding issues requiring clarification, to learn more about the regional circumstances or unique features that may have an impact on the delivery of services or the related costs, to gather information on regional differences in the cost of services and in service delivery practices and to seek advice on how the existing CSS information system might be improved. These interviews also provided an opportunity to explore the delivery and related costs of operated services in Edmonton and Calgary as well as at Michener Centre.

6. **Small focus groups in each region** with individuals with developmental disabilities and their parents or guardians as well as with a sample of service providers and agencies were also proposed. However, these were dropped after the Steering Committee questioned their value.

7. **The final stage of the Review was the analysis of all of the materials gathered and a preparation of the final report** for presentation to the Provincial PDD Board. The report details the findings of the review and offers recommendations to the Board intended to increase its understanding of the differences in costs between programs and regions.

COMMUNITY INCLUSION SUPPORTS FRAMEWORK

Under the Community Inclusion Supports Framework, various supports are provided to help the individual meet his or her residential, employment and community participation needs. Funding is made available in one of two ways. A person can receive funding and support provided through agencies under the Contracted Services Program, or he or she may qualify for Individual Funding, which is paid directly to the individual (or a representative) for the purpose of purchasing the services needed, to "enable adults with developmental disabilities, with the support of their family and friends, to live, work and participate in their community as valued citizens".

Alberta Family and Social Services used contracted services to provide supports to groups of persons with disabilities for many years before Individual Funding was introduced. Most of the contracts were with non-profit community agencies that the department helped to establish in order to have support for "de-institutionalization". There are now contracts with other service providers such as the regional health authorities and for-profit companies. The focus in contracts is on service to a number of people (10, 25, 60), although the services can be individualized within those contracts.

In preparing for the eventual transfer of responsibility to the new Community Boards the SPD staff worked closely with regional staff to reach agreement on a standardized set of service descriptions, definitions and related codes, with the understanding that they would be introduced across the province starting April 1st, 1997. The result would be a province wide information system incorporating both the Individual Funding Program and Contracted Services Program. As well it was expected that all service providers under both forms of funding would be held accountable for providing the appropriate program and financial data on a regular basis.

The Program Framework agreed to included the following descriptions:

Community Living Supports

Overnight Staffed Residences:

Homes where an individual with a developmental disability lives with others, typically between three and six people, where supervision and care is provided by staff on a 24 hour basis.

Support Homes:

A residence where an individual with a developmental disability shares a home with a roommate or a family. Where required overnight support is provided by others who share the home.

Supported Independent Living:
An opportunity for an individual with a developmental disability to live on their own, where there is no overnight support and an emphasis on skill development rather than supervision and care.

In-Home Respite:
Care provided by trained individuals who come into the individual's home on a regular or on-call basis.

Out-of-Home Respite:
Care provided on a day, overnight or extended basis outside the individuals own home, such as in respite beds provided by service providers, agencies or host family homes.

Employment Supports

Employment Preparation:
Support intended to assist an individual with a developmental disability explore the world of work and gain the skills required for employment, using community employer sites, training facilities or volunteer opportunities.

Employment Placement:
Support intended to assist an individual with a developmental disability locate and maintain competitive, supported or self employment.

Community Access Supports
Support intended to assist an individual with a developmental disability become more independent in his or her pursuit of, and contribution to, community activities.

Specialized Community Supports
These can include:
- behavioural support,
- professional services,
- start-up living allowance,
- transportation, and
- assessments.

Two exceptions were agreed to in the Program Framework. If a service provider offered both Employment and Community Access Supports and it was difficult to separate them, Regional staff were expected to make a judgement call and apply the cost to what they understood was the primary service. As well, if a service provider or agency offered 24 hour community living support,

employment support and community access support and there was no reasonable way of separating costs, all were to be applied to the category of Community Living Supports.

New services codes were also selected for each of the services and agreement was reached on the units of measurement for each service, such as a day, hours, or months. A revised policy and procedures manual for the Individual Funding Program was issued in March 1998. The funding guideline was set at $3,000 a month, not to exceed $36,000 a year, with up to 12% of the monthly approved plan for administration. In preparing a monthly budget three categories were identified. These were **direct client expenditures**, to include salary and wages of direct support staff, statutory benefits, relief staff wages due to staff illness, staff development, statutory holiday replacements and consumer illness, professional and behavioural services, the development of an initial program plan and residential start up costs for someone leaving a designated institution. **Service delivery expenditures** included salary, wages and benefits for supervisory staff and program expenses such as travel, vehicle operating costs and supplies. The final category, **administrative expenditures,** was identified as the cost of management and administrative support staff, insurance costs, office and facility costs and all other related operating costs.

CLIENT SERVICES SYSTEM (CSS)

The Client Services System (CSS) is a client focused management information system intended to provide accountability within the Community Inclusion Support program framework. The need for such a system resulted from an earlier management decision to integrate the very fragmented information available on the various funding programs: Individual Funding, Contract Funding and direct operation of facilities. Using a single client directory, the CSS maintains a composite profile of services received by individual clients and the associated costs, regardless of the type of service or the source of funding.

The CSS is also programmed to operate a payment module for all Individual Funding agreements and ensure that all invoices are approved and paid against approved service agreements. For Contract Funding and direct operations CSS relies on client data from the nominal roll which is processed against an established agency contract or a direct operations agreement. The nominal roll data is entered into the CSS by the regional offices who depend upon service providers forwarding the appropriate information on a monthly basis.

CSS, which can be accessed by all Community Boards, can provide a very comprehensive list of caseload statistics as well as comparisons of committed funding obligations and actual expenditures. The CSS is presently 'refreshed'

on a monthly basis so that more updated reports are available each month. The reports include monthly program cost per case data showing direct client expenditures, service delivery expenditures, administration, total costs, costs per unit of service, the number of active cases and the average monthly cost per case are available at various levels of compilation: by province, Individual Funding, Contract Funding, by region and by worksite. Regular monthly comparisons of committed versus actual units of service, overdue invoices and cost per case analyses can also be drawn from the CSS for day to day operational controls.

The development of the CSS has evolved through an ongoing process of consultation with regional staff in order to better meet their operational and management needs. Potential changes and enhancements have been discussed, tested and introduced when proven to be helpful. Regular training opportunities have been provided to regional staff, especially after the system has introduced a number of significant changes. As well 'training the trainer' sessions have been set up to enable interested and knowledgeable Community Board staff to share their expertise with others in their office.

FINDINGS AND ANALYSIS

This section refers to information gathered from the regions through the survey and follow up discussions, CSS data, and the consultants' observations and analysis.

Limitations to CSS data

The initial and overriding finding of the review is that community boards do not have confidence in the CSS system. The system is perceived by regional staff as unreliable, particularly with respect to Contract Funding and primarily as a payment system for Individual Funding rather than a management information tool. It is acknowledged that the Individual Funding data is more accurate, however, because of the time needed to process invoices there is a delay before information for any given month is complete. Consequently, the regions have established their own systems for tracking and managing data.

As the system was discussed with regional staff, some concerns were validated and others clarified. For example, the consultants learned that when staff say CSS data is incorrect, they are referring to its deficiency as a tool for forecasting because it does not allow them to compare dollars that have been committed to dollars spent to date.

Part of the review process involved drawing statistics from the CSS for the month of November and confirming that information with regional staff. Adjustments were then made where possible using data generated manually or through other regional systems. Often, however, staff were unable to provide the types of client number and cost configurations needed for this report. Furthermore, since the CSS has not been considered reliable, regional staff have not made it priority to ensure that complete and up to date information is regularly reported. In most regions, because it would have been a major, labour intensive project to compare the data on the CSS with their source documents such as paper copies of agency contracts, the consultants did not make that request.

Therefore, although the data presented in this report is as complete and accurate as possible, the consultants are not confident that the data is one hundred percent accurate – especially the data referring to Contract Funding - and caution readers accordingly.

Observations about CSS

During the regional visits staff and the consultants identified a number of reasons to explain why the information on the system is not reliable. These include:

- Information has not been reported or inputted consistently because more than one person was involved and different practices were used

within and between regions. For example, in some cases the total costs have been inputted and then the administrative costs have been re-entered, exaggerating the costs.

- The agencies and the PDD staff have different interpretations of what constitutes unit costs.
- Service providers do not consistently report factors such as units held.
- The nominal rolls have not been verified, so the cost per case numbers are not accurate.
- Over and under reporting of service occurs; for example, reporting hours an individual worked without support as hours of service (over reporting) and reporting a two hour workshop for ten people as two hours of service divided by ten (under reporting).
- Indirect hours of service are not reported on contracted services. If an individual is not receiving face-to-face support, no hours are reported. To reflect actual costs, both direct and indirect service costs should be reported.
- If the Contract Summary records only one service due to the 51% rule, and the nominal role shows expenditure in more than one service, only the costs associated with the service identified on the contract summary is posted on the CSS.
- Administrative costs are not included for some contracts; they show up on a separate contract.

Training on CSS and other systems

Regional differences in understanding and use of the CSS emerged during discussion with the regions. Some staff pointed out problems with training on the CSS. Initial training was not always as extensive as required, and unless staff were able to use the training immediately, they have since lost that knowledge. Regions point out that retraining needs to be ongoing, and updated as the system is updated. One region's observation is that CSS training has been focused primarily on day to day use, with little attention to global applications. Other regions observe that even where staff have had basic training, they know little about the reporting functions or how to interpret reports. This is particularly true of managers: they do not necessarily know what data is on the system or how to readily interpret the reports provided.

On the other hand, South region staff have been involved in the development, maintenance and testing of the provincial system and, consequently, they feel adequately trained. Two staff from this region have been designated as regional CSS trainers and have participated in training the trainer sessions. Edmonton Region is also currently involved in training the trainer sessions. It was pointed out that there has been no training on the use of IMAGIS. Central Region thought the training on entering nominal rolls data was adequate.

Regional, concerns with the CSS are not limited to training. There is not always follow-up to ensure that the data going into the system is accurate. In addition, the fact that the quality of the data is problematic can increase the workload for staff and agencies.

Definitions needed for integrity

Nevertheless, there appears to be consensus that, potentially, the CSS is a good system that could be used to manage information and programs. In order for this to happen however, the integrity of the data must be ensured. A common set of definitions needs to be developed to ensure that:

- staff of the community boards are counting the right things (cost accounting), and
- staff of the community boards are counting the same things in the same way (consistency and comparability).

There is currently an initiative underway to standardize the data entry onto the CSS.

Conclusions and recommendations

The CSS has the potential to be an accurate management tool once the information is reliable. This is the conclusion of the consultants, the systems analysts, and a number of the regional staff who are familiar with the CSS. There is a wide range of monthly reports that could be generated to assist the Community and Provincial Boards manage the PDD system.

The recommendations are:

1. **That the Provincial and Community Boards make it a priority to ensure that accurate data is entered into the system and maintained regularly. This will involve verifying the nominal rolls and doing significant work on manual and regional systems to reconcile them with CSS data. In some regions, to ensure consistency, further training may be required for those entering the data and using the system.**

2. **That the initiative to standardize reporting and counting be made a priority. For management information to be useful, categories such as 'hours of service' and 'indirect service' must always be reported the same way.**

3. **That the CEOs and managers of the Provincial and Community Boards determine what new monthly reports they require to effectively manage the PDD system and request that those reports be generated.**

4. **That, in order to make maximum use of the CSS for management purposes, the systems analysts dedicated to this system by the former Family and Social Services be transferred to the provincial board. Without assured access to their expertise, there is a major risk that the CSS will never become a useful management information tool.**

Administration of regional systems

The regions use a variety of data management approaches. Some are manual and very time consuming, while others are computer operated. Regions reported varying degrees of support from the Shared Support Service Centres, and raised understaffing of the Centre as their biggest concern.

In forecasting and program planning, regions use various combinations of the CSS, regional systems and the general ledger IMAGIS. The problem with IMAGIS is that it records costs in the month the invoice is processed, rather than the month in which the service is provided. Thus the information is stored on a different basis than the CSS and it is not compatible.

Only Calgary Region is using the CSS system to track and monitor caseload and cost per case information for the IF program and to do forecasting. The other regions use internal systems for two principal reasons: they are more confident that the data is accurate, and their own systems can more readily accommodate changes in format and presentation as needed.

The regions use various combinations of their own "manual" systems or spreadsheet packages (Excel) and IMAGIS to record and track Individual Funding clients, to maintain cash flow statements or to forecast. Edmonton uses a combination of their own tracking system and CSS data to generate expenditure and forecast reports. While this results in relatively accurate information for the region, it is "at the expense of considerable time and effort." Furthermore, since the data is not verifiable on one system, the region finds itself disputing the accuracy of the CSS system.

Because for contracts there is little change month to month, forecasting tends to be a straightforward exercise for most regions. For IF caseloads, forecasts tend to be based on history, anticipated growth in agreements, and a provincial

average of cost per case. When a forecast is made at the beginning of the year, some adjustments may be necessary as "actuals" come in.

Obtaining timely information

Besides its accuracy being suspect, the information from the CSS system is not timely. All regions, including Calgary which uses CSS data extensively, agree that having data updated only once a month can be problematic, particularly as information is being fed into the system daily. The data is rarely up to date, and it takes too long to get it into the regional systems. This creates problems for projections or responding to a request for information in the middle of a reporting period. The release date of the CSS data [at the beginning of the month] gives the regions very little time to analyze the information and include it in their forecasts for the provincial PDD board. One regional manager made the point that timeliness will continue to be a problem as long as CSS data is invoice driven.

One region indicated that IMAGIS reports are also not being received in a timely fashion, but another saw this as a result of the invoice after service nature of the payment system.

Shared Support Services Centre

Regions were asked whether the Shared Support Services Centre will be able to meet their needs for financial and management information. Some expressed optimism and Edmonton and Calgary regions indicated that the SSSC has been responsive to their requests to date. However, most regions had concerns. One concern is that the Centre does not have the tools to carry out analysis using the CSS files. Another is that the Centre is not co-located or directly linked to PDD boards. A third is that the Centre lacks both sufficient staff and a good system for payments and reporting.

Standardized reporting issues

A number of variations in the way regions define and use reporting terms have been identified. They are:

- When calculating unit cost, there are differences between contract and Individual Funding. Under IF, service delivery and administration are included in unit cost, under contract only frontline costs are included. Two regions exclude administration when calculating contract unit cost.

- There is inconsistency in the inclusion of relief costs in unit costs.

- Direct client services have a number of variables: the client is present; the client is not present and work is being done on the client's behalf; the client is not present and work is being done with individuals who interface with

the client; and work is done on a face-to-face basis with the client. (Under contract, if the service is not face to face, no hours are reported. The implication of this was explained by the one of the regions as follows. If, acting on the client's behalf, I speak for three hours to the manager of Co-op Stores about the client's viability as a candidate for employment, I cannot report those three hours because that is indirect service under contract, whereas under IF, I could.)

- Group sessions are reported inconsistently for Supported Independent Living. For example one hour of service for two people is being reported as two units or .5 units.

- Under Employment Placement, travel to and from the work site by support staff may or may not be included as a unit of service. Paper work may or may not be included. Units may be reported when the client is being supported by natural supports at the worksite.

- Only Central has standardized rates of pay [salaries] for agencies.

Clustered or consolidated contracts

The majority of regions have either moved, or are planning to move, individuals from Individual Funding to "clustered" or "consolidated" contracts. These contracts maintain the principles of Individual Funding but are administered for a group of individuals. This means that the individual can change service providers and the money will move as well. The primary criterion for moving individuals to cluster or consolidated contracts is that they are stable in their service requirements. Some individuals are moved to a contract for all services, others for a portion of their services. The guardian must agree to the change.

Some Community Boards chose to encourage this form of contracting because of its administrative efficiency over Individual Funding. In other cases, service providers requested a move to consolidated agreements following a change to IF policy requiring payment after service provision. For Community Boards the advantage to consolidated is there are many fewer financial transactions, and, hence less staff time is required. The advantage for service providers is they are paid quarterly in advance. The impact of this change on CSS is that as individuals move to the Contract Funding side, information on them is deleted from the Individual Funding portion of the system, so they can no longer be tracked.

When moved to a consolidated contract, the client generally receives the same amount of funding as was provided under Individual Funding. The contract stipulates the amount of funding that each client is receiving. When one decides to move, the dollar amount is identifiable. Normally, any changes to funding

reflected by different service needs is adjusted at the end of the year when the contract is renegotiated.

The Central Community Board report they have changed all of the traditional contracts to ones that embody the flexibility and portability of Individual Funding. In Edmonton, some of the traditional contracts have similarly been converted to clustered contracts.

Efforts were made to identify the number of clustered or consolidated Individual Funding agreements and their average monthly case cost for each of the regions at April 1, 1999. It proved difficult to get accurate numbers from all regions; however, the picture that emerged confirmed that regions are encouraging people with developmental disabilities and their guardians to consider a 'clustered' or consolidated approach to the funding, with the assurance that the principles of Individual Funding -- client choice, portability of funding and individual service plans -- will be respected. Community Boards see the move to clustered or consolidated IF as an effective way of achieving cost savings.

For those four regions with clustered or consolidated IF agreements in place, the total number of clients on these agreements is equal to one third of the number of traditional Individual Funding clients. What is noteworthy is that in both Edmonton and Calgary, the average cost per case for clustered or consolidated IF agreements is $300 below the average cost per case for traditional IF agreements. If a similar reduction in cost could be anticipated in all 907 existing clustered or consolidated agreements, it would account for an annual savings of $3.3 million. The distribution of clustered or consolidated contract is shown by region in Table 1.

Table 1
Clustered or Consolidated Contracts by Region
As of April 1999

Region	Clustered/consolidated IF agreements		Average cost/case (clustered)	Average cost/case (traditional IF)	Difference
	In place	Proposed			
Northwest		24			
Northeast					
Edmonton	181		2730	3032	-302
Central	350*				
Calgary	212		2237	2527	-300
South	164				
TOTAL	907				

*Estimated

The number of clients on clustered or coordinated contracts in the Central region was difficult to determine. Central pointed out that they have moved

beyond the clustered concept and that the majority of these agreements are now considered to be contracts. As well some of the PDD offices in the Central region tallied the number of clustered contracts rather than the number of clients and, as a result, the numbers were likely inflated. Although the Northeast region does not have any clients on a clustered or consolidated contract, the region moved 30 clients on Individual Funding into more traditional contract spaces in the past year.

Is the pattern of transferring to a consolidated contract likely to continue? Regions were asked if they had made or were planning any changes in the utilization of contracts and Individual Funding. Some were anticipating changes. For example, Northwest region is contemplating moving 24 people to clustered contracts. The South Region is not anticipating many more requests to move to consolidated agreements. Other regions report changes such as clients moving from IF to contract and vice versa. Central is evolving its contracts so as to offer the same benefits and privileges as IF, albeit in a more cost effective and efficient manner. As a result, more people are moving to Contract Funding in that region.

Overlap of Individual and Contract Funding

All regions agreed: there are clients who receive services under both a Contract and Individual Funding arrangement; however, regions were neither able to identify how many such clients there were nor provide details of their needs or services, and there was a general feeling that it would not be possible to obtain that information from the CSS. Regions expressed a concern that individuals receiving both types of funding are double counted on the system. However, as far as the consultants could ascertain, because the CSS tracks individuals by name and personal health number, the total number of discrete clients does not include any double counting.

CSS data for November 1998 was run to show the approximate numbers of clients on both types of funding. In all regions, the number of individuals funded both ways is significant and the costs are thought to be considerable.

Table 2 describes the numbers of individuals involved and the costs associated with the services of each type. In the two northern regions, over two-thirds of those receiving Individual Funding are also receiving Contract Funding. Edmonton and Central have the lowest percentage of clients on both; nevertheless, the number still accounts for more than one-third of all IF clients. Given the need for cost containment, the trend towards combined funding through both IF and contract is likely to increase.

Table 2
Clients Receiving both Individual and Contract Funding (with funding amounts)
November 1998

Region	Number of Clients	Contracts ($)	Clients receiving both as % of all IF Clients	IF ($)	Total ($)
Northwest	76	84,304	67	206,928	291,232
Northeast	122	17,625	71	328,530	346,156
Edmonton	340	579,069	37	931,832	1,510,901
Central	125	166,895	36	310,172	477,068
Calgary	422	401,780	48	1,033,736	1,435,517
South	187	223,135	43	443,312	666,447
Province			45		

The above table, which was included in the draft final report, is based on the June 5, 1999 data extract on the CSS.

When the draft report was reviewed, the number of individuals receiving both types of funding as a percentage of all IF clients was questioned. The percentage was higher than expected.

The consultants were asked to determine if November 1998 was an anomaly. Based on the July 1999 data extract, the following information is accurate. The April 1999 information appears to be incomplete for all regions.

Table 3

Nov-98

Region	# Receiving both	% of IF	% of Cont.	% of Total
Northwest	76	67	25	22
Northeast	122	71	29	26
Edmonton	340	37	25	18
Central	125	36	12	10
Calgary	543	62	24	21
South	187	43	29	21

Dec-98

Region	# Receiving both	% of IF	% of Cont.	% of Total
Northwest	76	67	24	22
Northeast	127	73	28	26
Edmonton	354	38	24	17
Central	127	36	12	10
Calgary	542	61	24	21
South	182	41	29	20

Jan-99

Region	# Receiving both	% of IF	% of Cont.	% of Total
Northwest	77	68	24	21
Northeast	126	74	34	31
Edmonton	373	40	23	17
Central	122	35	12	10
Calgary	552	61	24	21
South	190	42	31	22

Feb-99

Region	# Receiving both	% of IF	% of Cont.	% of Total
Northwest	76	67	31	26
Northeast	121	71	38	33
Edmonton	370	37	24	17
Central	124	36	12	10
Calgary	561	62	24	21
South	201	45	31	22

Mar-99

Region	# Receiving both	% of IF	% of Cont.	% of Total
Northwest	n/a	n/a	n/a	n/a
Northeast	137	78	30	28
Edmonton	405	42	24	18
Central	123	35	12	10
Calgary	548	60	24	21
South	207	46	31	23

Apr-99

Region	# Receiving both	% of IF	% of Cont.	% of Total
Northwest	n/a	n/a	n/a	n/a
Northeast	87	51	33	25
Edmonton	353	40	22	16
Central	112	32	12	9
Calgary	503	55	27	22
South	134	29	34	19

Examining the information recorded on the CSS between November 1998 and March 1999, the following observations can be made about individuals who are receiving both IF and Contract funding.

1. The Northwest is consistent from November 1998 to February 1999. March and April cannot be calculated because the Contract data has not been entered for those months.
2. The Northeast fluctuates between 71% and 78%.
3. Edmonton fluctuates between 37% and 42% with the number growing each month but February with the highest percentage in March.
4. Central fluctuates between 35% and 36%.
5. Calgary fluctuates between 61% and 62% and drops to 60% in March.
6. The South fluctuates from 41% to 46% with the highest number in March.

Number of new clients

During the interviews Community Board staff were asked to identify the average number of new clients in a month making application for Community Inclusion Supports. The following table shows the responses received. Approximately 630 new clients come into the system each year. While most would likely be considered initially for Individual Funding, some regions were also attempting to find contract spaces for some new clients. At the same time as new clients are making application for support, existing IF clients are moving to consolidated agreements or into contract opportunities.

The average cost per case for IF clients suggests that regions together will require an additional $1.8 million per month in funding each year to simply respond to the increasing demand from new applicants. All regions expect to see continuing increases as younger citizens with developmental disabilities leave Handicapped Children's Services and seek support from their PDD Community Board or as older people, who are no longer able to cope, look for additional assistance for a developmentally disabled family member.

Table 4
Number of New Clients by Region (Monthly Average)

Region	Average No. New Clients (monthly)	Average IF payment (monthly) $	Monthly Average Cost of New Clients $	Annual Average Cost of New Clients for each month $
Northwest	2	3,004	6,008	72,096
Northeast	5	2,681	13,405	160,860
Edmonton	17	3,032	51,544	618,528
Central	10	3,055	30,550	366,600
Calgary	12	2,527	30,324	363,888
South	7	2,707	18,949	227,388
Province	53	2,809	148,877	1,786,524

Conclusions and Recommendations

When regions found that they required more management information than they could obtain from the CSS, they developed their own individual systems. All of those systems are time consuming to operate. Once the data on CSS is accurate and new management reports can be generated, the need for regional systems will be reduced or eliminated.

If the CSS data were updated twice a month rather than once it would be more useful to regional staff. To date, the CSS has stored all monthly reports. The possibility of providing interim reports at mid-month should be explored, on the understanding that this data would only be retained on the system for a limited period.

The issues related to standardized reporting seriously affect the reliability of the information on the CSS. When individuals move from Individual Funding to clustered or consolidated contracts, the region no longer has as much information about them, their services or their costs. The CSS could be used to track individuals who are receiving both Individual Funding and Contract Funding. If this were part of the regular reporting system, it would provide valuable information to community boards.

The recommendations are:

1. **That the CSS data be refreshed twice a month.**

2. **That data gathering and reporting be the same for both Individual and Contract Funding. The information should be recorded in the same way, that is, indirect service should be included in both and data should be entered consistently (monthly).**

REGIONAL COMPARISONS

Use of CSS data

When the consultants went to the regions to verify CSS data and information obtained through the survey and by telephone, they learned that regions do not track and maintain data on a program level. This created a dilemma for the consultants, since one of the purposes of the review was to provide the Provincial Board with comparisons across regions. However, the consultants were able to confirm the number of clients and average costs for Individual Funding, and the Northwest was able to verify their information on Contract Funding. Where the total client numbers and total cost per case data from the CSS could be verified by the regions' manual systems, the consultants assumed that the number provided for program costs were also reliable. Therefore this section of the report provides comparative data using the latest information from CSS and the consultants' analysis based on what they have learned through the review.

Allowing for the weaknesses of the system, particularly on the Contract Funding side, this section meets the objectives of, first, providing the PDD Provincial Board with the best information to date and, second, demonstrating the types of comparisons that will be possible once the CSS system has been enhanced to the point where regions have confidence in it and are inputting data regularly.

How demographics affect service patterns

Regions were asked whether they would attribute any service patterns or cost factors to the demographics in their region. Their answers indicated:

- The aging of the population is contributing to an increase in cost per case, as is the population influx. Since people are living longer, the 60+ group is expected to increase in the coming years.
- As baby boomers age, they are less able to care for their developmentally disabled children and are turning to PDD for services.
- Individuals receiving contracted funding tend to be older than those on IF.
- The fastest growing age group is 24–35 years. There will be an increase in the number of children requesting services once they have reached 18 [and leave Handicapped Children's Services].
- In South Region, a number of aboriginal youth are coming in through the Child Welfare system and being "grandfathered" into PDD at significant costs.

- The incidence of high needs clients is increasing. People receiving support through HCS are at a higher rate than in the past.

- Families are moving into urban centres to acquire the supports they need for a disabled child. They come to Edmonton for the Glenrose, Community Behavioural Services or school supports. Consequently, Edmonton has a higher uptake of persons with disabilities and severe disabilities than simple demographics would suggest.

- Parents' and guardians' attitudes are changing. People regard services for a disabled child as an entitlement.

- The Michener Centre affects Central Region's demographics and costs. In addition, the Youngstown Home and the former Wetaskiwin Centre are in this region. Many residents of Michener and Youngstown have complex needs which are expensive and drive average costs up. When these clients move into the community their costs are high. For example, 13 people moving from Michener last year cost the Region $750,000. A number of Michener residents who have moved into the community have chosen to remain in the Central area.

Regional demographics

Table 5
Age Group of Clients by Region
November 1998

Individual Funding

Region	Under 18		18-23		24-35		36-59		60+		Total	
	Nos.	%	Nos.	%	Nos.	%	Nos.	%	Nos.	%	Nos.	%
Northwest	0	0	30	26	43	38	39	34	2	2	114	100
Northeast	0	0	43	25	78	45	45	26	7	4	173	100
Edmonton	0	0	257	28	383	42	249	27	24	3	913	100
Central	0	0	60	17	107	31	140	40	42	12	349	100
Calgary	0	0	259	30	336	38	263	30	16	2	874	100
South	0	0	96	22	147	34	171	39	23	5	437	100
Province	0	0	745	26	1094	38	907	32	114	4	2860	100

Contract Funding

	Under 18		18-23		24-35		36-59		60+		Total	
Region	Nos.	%	Nos.	%	Nos.	%	Nos.	%	Nos.	%	Nos.	%
Northwest	54	17	57	18	103	33	86	28	10	3	310	100
Northeast	99	24	55	13	126	30	120	29	14	3	414	100
Edmonton	29	3	138	13	382	36	457	44	43	4	1043	100
Central	222	21	149	14	263	24	357	33	86	8	1077	100
Calgary	523	24	269	12	542	25	733	34	120	5	1731	100
South	81	12	76	11	156	24	292	46	38	6	643	100
Province	1005	17	740	13	1572	27	2045	37	310	6	5208	100

Many of the observations about demographics made by regional staff are borne out in the statistics. As the above tables show, there are proportionally more older IF clients in the Central region than in other regions. More than half (52%) of Central's IF clients are 36 years or older. The next largest percentage (44%) is this age group is found in the South region. Central also has the largest number of IF clients over age 60 (12%). Presumably, the higher percentages in Central reflect the community integration of clients from the Michener Centre.

Conversely, Edmonton and Northwest have the youngest population of IF clients, with 70% of clients being under 35 years. Calgary is not far behind with 68% of IF clients in this age group. Calgary and Edmonton have the highest percentages of IF clients between 18 and 23 years (30 and 38% respectively). There are no IF clients under age 18 because of the eligibility requirement that they must be at least 18 years to qualify.

The South has the largest percentage of older clients on Contract Funding: 52% of all Contract clients in that region are 36 years or older. Edmonton has the next largest percentage in that age group: 48%. Again, Central has the largest number of clients over age 60 (8%). Calgary and the Northwest have the highest percentage of Contract clients under 23 years (35%). By comparison, Edmonton has the lowest (16%), primarily because there are so few clients under age 18 (3%) in that region.

There are 876 clients under 18 receiving Contract Funding across the province. When this number is adjusted to include those in operated facilities (76 in Edmonton and 31 in Calgary), the result is 983 youth and children receiving funding through PDD.

Table 6
Disability, Gender and Native Status
November 1998

Individual Funding

Region	Disability										Gender %		Native Status	
	Develop		Physical		Mental		Brain Inj		Unknown					
	No.	%	No.	%	No.	%	No.	%	No.	%	M	F	No.	%
Northwest	114	100	0	0	0	0	0	0	0	0	62	38	9	8
Northeast	170	98	1	.5	1	.5	1	.5	0	0	47	53	5	3
Edmonton	885	97	11	1	8	.9	8	.9	1	.1	57	43	31	3
Central	342	98	0	0	1	.3	1	.3	5	1	58	42	6	2
Calgary	858	98	6	.7	4	.4	6	.7	0	0	57	43	15	2
South	411	94	6	1	7	1	12	3	1	1	52	48	19	4
Province	2780	97	24	.8	21	.7	28	1	7	.2	56	44	85	3

Contract Funding

Region	Disability										Gender %		Native Status	
	Develop		Physical		Mental		Brain Inj		Unknown					
	No.	%	No.	%	No.	%	No.	%	No.	%	M	F	No.	%
Northwest	302	97	0	0	4	1	4	1	0	0	57	43	27	9
Northeast	407	98	2	.5	2	.5	3	.7	0	0	56	44	10	2
Edmonton	912	87	65	6	42	4	29	3	1	0	58	42	11	1
Central	1029	95	9	.8	20	2	11	1	8	.7	59	41	37	3
Calgary	1941	88	135	6	90	4	19	1.8	2	.1	53	47	12	.5
South	566	88	28	4	15	2	33	5	1	.2	55	45	15	2
Province	5150	90	239	4	173	3	98	2	12	.2	57	43	113	2

Almost all Individual Funding clients have a developmental disability, with only the South showing a substantial percentage of clients with other types of disability (6%). By contrast, up to 14% (in Calgary region) of Contract clients have a disability other than developmental. Edmonton and the South regions are close behind with 13 and 12% respectively. There are more Contract clients with physical disabilities in Calgary and Edmonton than in the other regions (8% and 6% respectively). South region has the largest number of brain injury clients on both Contract and Individual Funding.

Only 2% of all Contract clients have native status and 35 of Individual Funding clients do. The Northwest region has by far the largest percentage of native status clients under both Contract and Individual Funding (9% and 8% respectively).

Table 7
Program by Age Group November 1998
(Note: The numbers in each age bracket will be higher than in the previous tables because some clients are in more than one program.)

Province

Program	Under 18		18-23		24-35		36-59		60+		Total	
	Nos.	%	Nos.	%	Nos.	%	Nos.	%	Nos.	%	Nos.	%
IF												
Living	0	0	553	25	806	37	723	33	105	5	2167	100
Employment	0	0	210	32	304	46	144	22	2	.3	660	100
Access	0	0	327	25	473	37	435	34	50	4	1285	100
Specialized	0	0	75	33	91	40	54	24	7	3	227	100
Contract												
Living	739	23	361	11	805	25	1144	35	188	6	3237	100
Employment	5	.3	314	18	654	38	710	41	28	1.6	1711	100
Access	7	.4	194	12	591	36	774	47	77	5	1643	100
Specialized	347	24	165	12	326	23	473	33	110	8	1421	100

The same pattern repeats itself when we look at programs; older people are on contract.

Allocation of Budgets 1998\99

As Table 8 below indicates the percentage spent on Supports to Community Systems is fairly even across regions, ranging from 15.5% in the South and 21.7% in the Northwest. The higher costs in the northern regions are most likely attributable to geographical factors such as distance and population spread. Otherwise, there are a few anomalies. For example, when spending on Contract Funding is compared, Central spent a considerably larger proportion of its total budget there than did the other regions. Over half of Central's total expenditures went on Contract Funding. That region's spending on IF is slightly lower than the others.

Northwest's actual expenditures on board costs is much higher than the others, again probably as a result of geography. With the exception of Northeast, Northwest spent at least one percentage more there than did the other regions.

Table 8
Actual Expenditure ($m) and as a percentage of Total Expenditure for the year ended March 31, 1999

Board	Supports to Community Systems		Contract Funding		Individual Funding		Board Costs	
	$m	%	$m	%	$m	%	$m	%
Northwest	1,903	21.7	3,341	38.1	3,395	38.7	0.134	1.5
Northeast	2,348	20.0	4,401	37.5	4,910	41.8	.086	0.7
Edmonton*	11,033	17.8	22,875	36.5	28,700	45.8	.086	0.1
Central	5,743	15.3	19,415	51.7	12,293	32.8	.080	0.2
Calgary*	9,914	18.1	22,170	40.4	22,698	41.4	.078	0.1
South	4,351	15.5	11,400	40.6	12,209	43.5	.088	0.3
Total	35,292		83,602		84,205		.552	

NOTE: Direct Operation Costs of $12.9m for Edmonton and $6.3m for Calgary are not included in these totals.

Distribution by levels of funding

By far, the greatest number of clients receive monthly funding of $2,000 or less across the province – irrespective of whether that funding is through contract or IF. However, as Table 9 shows, the spread is wider under Contract Funding, ranging from just under half in Northwest to just over 90% in Calgary. By comparison, the spread of cases receiving $2,000 or less on IF ranges from 60% in Edmonton to 70% in the Calgary and South regions. The distribution is also different in that more Contract than IF cases are funded less than $1,000 and more IF cases fall into the $1,000 to $1,999 bracket.

Moving up towards the higher ends, a far greater number of Individual Funding cases receive funding of $2,000 to $4,999 per month than do those served by Contract Funding. The reverse is true for the $5,000 to $7,000 and over brackets, however. Northwest, Edmonton and Central account for almost all Contract funded clients in the highest bracket. Northeast has none in this bracket. In contrast, almost one-quarter of Northwest's Contract clients receive monthly payments in excess of $7,000.

Table 9
Funding Distribution of Individual and Contract Funding as a percentage of Total Clients for November 1998

Individual Funding

Region	Under $1,000 %	$1,000 to $1,999 %	$2,000 to $3,150 %	$3,151 to $4,999 %	$5,000 to $7,000 %	Over $7,000 %
Northwest	34.7	27.6	19.4	16.5	1.2	0.6
Northeast	44.4	19.5	17.4	14.9	3.3	0.4
Edmonton	31.4	28.6	16.0	20.3	3.1	0.5
Central	36.2	25.4	16.7	19.0	2.3	0.3
Calgary	30.6	39.0	20.3	8.3	1.4	0.3
South	39.4	31.0	16.0	13.2	0.3	0.1

Contract Funding

Region	Under $1,000 %	$1,000 to $1,999 %	$2,000 to $3,150 %	$3,151 to $4,999 %	$5,000 to $7,000 %	Over $7,000 %
Northwest	40.7	8.8	12.0	9.1	5.6	23.8
Northeast	66.9	7.7	7.9	3.1	14.4	0.0
Edmonton	51.3	12.7	6.2	7.6	6.1	16.2
Central	37.5	18.5	9.4	12.6	5.1	17.0
Calgary	78.8	18.7	4.8	3.7	2.4	1.6
South	59.4	6.4	6.7	10.8	14.2	2.4

Comparing average cost and distribution

Two other comparisons that can be made from the CSS are the average cost per case and the distribution of Individual Funding versus Contract Funding. These are shown in Table 10 below. [Note: Since November 1998 a number of clients have moved from Individual Funding to 'consolidated' or 'cluster' contracts, and as a result, the IF numbers shown below are higher than today's. Nevertheless, the information provided below illustrates how the CSS could provide this type of management information.]

There is approximately a 10% variance in the monthly average cost per case for IF around the provincial average, with Calgary being 10% under and Central

almost 9% over. Calgary shows the lowest per case cost for both Individual Funding and contract (although the contract numbers for the Northeast and Calgary regions are clearly suspect). Edmonton, Calgary and the Northwest have very similar average costs at just over $3,000; although the cost per case for the Northwest drops to the provincial average when one $24,000 monthly payment is removed from the total. Central and Edmonton are likely to have more clients with higher needs, either due to people moving from the Michener Centre into communities in the Central region or families coming to Edmonton to draw on support services available there.

Edmonton and the South have a higher percentage of clients on Individual Funding (47% and 41% respectively), while in Central, Northwest and Northeast three out of four clients are receiving Contract Funding.

Table 10
Average Monthly Cost per Case by Region
(As a percentage of client numbers)
November 1998

	Individual Funding			Contract Funding		
Region	**Client Nos.**	**Monthly Average Cost $**	**% of clients**	**Client Nos.**	**Monthly Average Cost $**	**% of clients**
Northwest	114	3004	27	310	1084	73
Northeast	173	2681	30	414	139	70
Edmonton	913	3032	47	1049	1495	53
Central	349	3055	25	1077	1772	75
Calgary	874	2527	29	2187	537	71
South	437	2707	41	643	1629	59
Province	2860	2809	34	5672	1115	66

Table 11 shows a breakdown of the number of clients and average cost per case by programs for Individual and Contract Funding. The average cost per case for all four programs funded under contact -- Community Living Supports, Employment Supports, Community Access and Specialized Supports – is almost half the average cost of Individual Funding (depending on the accuracy of the contract data).

As would be expected based on the principles of Individual Funding, a higher percentage of IF clients receive support under Community Access (47%) and Community Living Supports (41%).

For Employment Supports, the Northwest and Central regions use IF significantly less than the provincial average. Calgary and the South use IF for Employment Supports to a greater degree than average.

Interregional comparisons for Specialized Support cannot be made because they are defined differently. In Edmonton, contracts for services such as referral and interpreters are included and reported in Specialized Supports. However, if the data were comparable additional information about the use and costs of these services could be obtained.

Table 11
Average Monthly Cost per Case and Distribution by Program
(As a percentage of client numbers)
November 1998

PROVINCE	Individual Funding			Contract Funding		
	Client Nos.	Monthly Average Cost $	% of clients	Client Nos.	Monthly Average Cost $	% of clients
Community Living Supports	2186	2573	41	3237	1260	59
Employment Supports	666	1127	33	1711	491	67
Community Access	1285	1236	47	1643	668	53
Specialized Supports	216	366	17	1424	177	83

NORTHWEST	Individual Funding			Contracted Funding		
	Client Nos.	Monthly Average Cost $	% of clients	Client Nos.	Monthly Average Cost $	% of clients
Community Living Supports	94	2394	34	185	1157	66
Employment Supports	24	1528	17	111	365	83
Community Access	52	1061	48	56	647	52
Specialized Supports	19	1365	20	76	595	80

NORTHEAST	Individual Funding			Contracted Funding		
	Client Nos.	Monthly Average Cost $	% of clients	Client Nos.	Monthly Average Cost $	% of clients
Community Living Supports	141	2481	36	250	99	64
Employment Supports	41	725	25	145	0	75
Community Access	78	992	34	149	132	66
Specialized Supports	20	343	19	86	153	81

EDMONTON	Individual Funding			Contracted Funding		
	Client Nos.	Monthly Average Cost $	% of clients	Client Nos.	Monthly Average Cost $	% of clients
Community Living Supports	717	2926	60	477	2142	40
Employment Supports	152	1114	25	452	633	75
Community Access	384	1248	55	308	846	45
Specialized Supports	40	498	62	24	0	38

CENTRAL	Individual Funding			Contracted Funding		
	Client Nos.	Monthly Average Cost $	% of clients	Client Nos.	Monthly Average Cost $	% of clients
Community Living Supports	290	2894	25	863	1607	75
Employment Supports	44	1059	13	288	482	87
Community Access	179	1021	31	403	920	69
Specialized Supports	24	142	28	61	196	72

CALGARY	Individual Funding			Contracted Funding		
	Client Nos.	Monthly Average Cost $	% of clients	Client Nos.	Monthly Average Cost $	% of clients
Community Living Supports	570	2223	32	1184	585	68
Employment Supports	303	1210	35	562	348	65
Community Access	394	1398	47	447	301	53
Specialized Supports	89	274	8	1015	93	92

SOUTH	Individual Funding			Contracted Funding		
	Client Nos.	Monthly Average Cost $	% of clients	Client Nos.	Monthly Average Cost $	% of clients
Community Living Supports	375	2231	58	266	2704	42
Employment Supports	96	1062	64	154	416	36
Community Access	198	1213	44	248	959	56
Specialized Supports	24	71	13	157	166	87

The same data is shown by program and region in Table 12.

Table 12
Average Monthly Cost per Case By Program and Region for Individual and Contract Funding
November 1998
(Note: Contract Funding includes administrative costs.)

Community Living Supports

Region	Individual Funding		Contract Funding	
	No. of Clients	Monthly Average $	No. of Clients	Monthly Average $
Northwest	94	2,394	185	1,157
Northeast	141	2,481	250	99
Edmonton	717	2,926	477	2,136
Central	290	2,894	863	1,599
Calgary	570	2,221	1,184	585
South	375	2,231	266	2,704
Province		2,573		1,260

Employment Supports

Region	Individual Funding		Contract Funding	
	No. of Clients	Monthly Average $	No. of Clients	Monthly Average $
Northwest	24	1,528	111	365
Northeast	41	725	145	0
Edmonton	152	1,114	452	633
Central	44	1,059	288	482
Calgary	303	1,210	566	348
South	96	1,062	154	416
Province		1,127		491

Community Access

Region	Individual Funding		Contract Funding	
	No. of Clients	Monthly Average $	No. of Clients	Monthly Average $
Northwest	52	1,061	56	647
Northeast	78	992	149	132
Edmonton	384	1,248	308	846
Central	179	1,021	403	920
Calgary	394	1,398	447	301
South	198	1,213	248	959
Province		1,236		668

Specialized Support

Region	Individual Funding		Contract Funding	
	No. of Clients	Monthly Average $	No. of Clients	Monthly Average $
Northwest	19	1,365	76	595
Northeast	20	343	86	153
Edmonton	40	498	26	0
Central	24	142	61	196
Calgary	89	274	1015	93
South	24	71	157	166
Province		366		177

Detailed program cost for Individual Funding

The four program areas can be further broken down into their components. Community Board staff report that the numbers are not reliable when broken down to this degree of detail. To illustrate how, with accurate data, it would be possible to compare the utilization and costs of the components of the four service categories, the following tables are presented for Individual Funding. The same type of analysis could be done on contracted services once the information reported on them is reliable.

For example, in Table 13 following, the two regions with the lowest cost per case for Community Living Supports, Calgary and the South, have the highest number of support homes. Conversely, the two regions with the highest cost per case for Community Living Supports have the largest proportion of clients in Overnight Staffed Residences. The option of Supported Independent Living has been a more favoured form of Community Living Supports in the Northwest and Northeast. What this suggests is that cost savings may be possible by altering the mix of Community Living Supports alternatives for IF clients.

An analysis of the cost of In-Home Respite for November 1998 shows a range of average cost per case from $403 in Central to $1,116 in the Northeast. The least expensive, Behavioural Support, is $111 in the South and the most expensive is $1,759 in the Northwest. Northeast did not utilize Behavioural Support.

Under Employment Supports, the two regions with the highest cost per case, the Northwest and Calgary, have higher levels of spending on Employment Preparation.

Table 13 Average Cost per Case by Service for Individual Funding (November 98)

Service	Northwest			Northeast			Edmonton		
	Cost	Clients	Average	Cost	Clients	Average	Cost	Clients	Average
Overnight Staffed Residence	96,930	36	2692	244,613	68	3597	1,659,547	472	3516
Support Home	24,729	11	2248	11,407	8	1426	232,355	116	2003
Supported Independent Living	97,865	41	2386	73,722	57	1316	106,892	66	1620
In-Home Respite	2,542	5	508	13,990	12	1166	54,376	87	625
Out of Home Respite	3,042	9	338	3,135	18	174	21,013	83	253
Employment Preparation	20,277	16	1351	17,219	27	638	128,530	129	996
Employment Placement	16,413	13	1262	12,466	17	733	40,902	36	1136
Community Access	54,763	52	1053	77,406	78	992	478,401	384	1246
Behavioral Support	7,035	4	1759	0	0	0	5,975	4	1494
Professional Support	13,866	3	4622	0	0	0	4,582	6	764
Transportation	1,133	8	142	1,040	10	104	7,282	27	270
Assessments	500	1	500	2,100	3	700	0	0	0
Other Specialized Support	3,400	4	850	3,649	9	319	2,101	5	420

Service	Central			Calgary			South		
	Cost	Clients	Average	Cost	Clients	Average	Cost	Clients	Average
Overnight Staffed Residence	669,956	194	3453	481,617	135	3568	410,192	125	3282
Support Home	91,407	45	2031	672,914	329	2045	273,371	157	1741
Supported Independent Living	61,937	48	1290	49,406	45	1098	75,111	51	1473
In-Home Respite	8,460	21	403	38,732	59	656	38,731	72	538
Out of Home Respite	4,101	16	256	18,467	59	313	35,753	103	347
Employment Preparation	15,032	12	1253	297,502	239	1245	84,756	87	974
Employment Placement	31,575	32	986	68,112	66	1032	17,249	23	750
Community Access	182,925	179	1022	550,977	394	1398	240,243	198	1213
Behavioral Support	1,853	4	463	6,671	8	834	221	2	111
Professional Support	0	0	0	3,649	19	192	0	0	0
Transportation	976	14	70	2,521	13	194	1,502	22	68
Assessments	0	0	0	0	0	0	0	0	0
Other Specialized Support	586	7	84	11,605	58	200	0	0	0

Allocation of Costs

All regions to allocate direct delivery, service delivery and administrative costs are using the provincial policy. *Direct client costs* are those associated with providing services to the client. *Service delivery costs* are for supervisory staff and program expenditures such as staff travel. Service delivery costs are not reported for contracted services. *Administrative costs* involve management and administrative support.

The table below shows the cost of these three functions as a percentage of all cost (100%) through Individual Funding and contracts for the month of November 1998.

Table 14
Allocation of Costs for November 1998

Region	Average Direct Client Cost (%)		Average Service Delivery* Cost (%)	Average Administrative Cost (%)	
	IF	Contracts	IF	IF	Contracts
Northwest	90.0	83.2	1.4	8.6	16.8
Northeast	88.0	87.8	3.8	8.2	12.2
Edmonton	85.7	85.7	5.0	9.3	14.3
Central	85.5	88.9	5.9	8.6	11.1
Calgary	86.3	85.9	6.7	7.0	14.0
South	87.2	87.5	3.7	9.1	12.5

* Data not reported for contracts.

The average spent on direct client costs for IF by all regions is 87.1%. Northwest is the highest above this average with 90.0% and Central is the lowest with 85.5%. The difference between the highest and the lowest is 4.5%. When service delivery costs for IF are examined, there is greater variation around the average of 4.4%, with Calgary showing a high of 6.7% and Northwest a low of 1.4% (a variation of 5.3%).

The data on contracts for direct client costs is not as accurate. When direct delivery cost for contracts is considered, the average for the six regions is 86.5%, ranging from a low for Northwest (83.2%) to a high for Central (88.9%). The difference is 5.7%. The average cost on administration is 13.4%, with Central being the lowest at 11.1% and Northwest the highest at 16.8%. Again, the difference is 5.7%.

Service delivery costs are not reported under contracts although contracted agencies have supervisory and program costs associated with their service delivery. Expanding the responsibility of supervisors could contain some costs. If this were to be considered, the impact on service delivery would have to be assessed.

The average administrative cost for IF for all regions is 8.5%. Here the regions' expenditures are closer together, with Edmonton spending a high of 9.3% of all costs on administration and Calgary, a low of 7.0%. The difference between the highest and lowest is 2.3%. Average administrative costs in all regions are higher for contracts than for Individual Funding. This is partly the result of different definitions of eligible administrative costs with each type of funding. For individualized funding, the lowest administrative costs are in Calgary (7%) and the highest are in Edmonton (9.3%).

Comparison of service provider salaries

A very high percentage of the funding provided to service providers, both under Individual and Contract Funding, goes to salaries for staff providing direct delivery. This is an area that has received priority for increases in the last two years. Because of the importance of salaries to the delivery cost of services, one expectation was that the review would look at salaries. During discussions with regional staff, it was learned that regions do not maintain information on salary or wages paid by service providers. And, the regions thought it would take many days of work to get the rates since this would have to be taken manually from Schedule B of each contract. They were knowledgeable about the rates paid by individual service providers in their region, but this information is not systematically gathered. In addition, Central Region was the only one with a salary guideline that they were now applying to all contracts.

There was recently a 4.5% increase across the province and regions were told this had to be applied to salaries for employees and could not be used for other costs such as fee for service or proprietors. This would have been an ideal time to gather information on salaries, and the consultants question how the increase was determined without knowledge of what was being paid previously.

Table 15

Salary Guidelines from Central Region

Position Type	Current Salary Guideline Rate per Hour ($)	New Salary Guideline (April 1, 1999) ($)
Direct Care	10.24	10.65
Team Leader	11.12	11.55
Residential Mngr/Program Wrkr	13.54	14.08
Program Supervisor	15.64	16.25
Over Night Asleep	5.40	5.65 5.90 effective Oct. 1/99
Over Night Awake	6.30	6.55
Relief	8.66	8.66

The Northeast Region is about to undertake a major salary review. A working group will compare wages, evaluate equity and examine the implications of local market conditions on salary. The result will be a wage comparison index to be used as a guideline for funding decisions.

OPERATED FACILITIES

Edmonton

In Edmonton, Residential and Support Services operates the Eric Cormack Centre, thirteen community residences and the Activity Program.

The residents of the Cormack Centre are all high needs, and many are not mobile. There is a minimum of five staff for fifteen residents and all require a two-person lift, with some requiring three staff for transfers. In November and December 1998 there were 46 residents and five relief spaces which are used by people from the community. The Centre is staffed 24 hours per day and includes nursing staff.

Due to the fact that Eric Cormack is classified as an institution, the residents are not eligible for AISH. Consequently, all of their living costs are included in the Centre budget.

The costs associated with operating the Eric Cormack Centre are:

Staff and administration	$3,275,000
Supplies and Services	$940,000
Total	4,215,000

Thus the average monthly cost per case is $6,887.

In addition, the Eric Cormack building is owned and operated by Alberta Infrastructure at an estimated annual cost of $355,000. All repairs and operating costs are borne by Infrastructure.

The group home that served mostly children has been removed from the following information. The thirteen homes are located in a variety of communities in Edmonton. They are operated 24 hours per day, and some residents do not have another day program. Approximately twenty-three receive funding for community access services. The total capacity of the homes is 72, and the occupancy rate is 66 people with high support needs.

The costs associated with operating the community residences are:

Staff and administration	$4,900,000
Supplies and Services	$366,000
Total	$5,266,000

Thus the average monthly cost per case is $6,094.

The community homes are also owned and operated by Infrastructure and the cost of contracted maintenance services is approximately $15,000 per year.

The Activity Program is divided into two sections, an onsite activity program for the Eric Cormack Centre and a community access program for the residents of the community homes. The Eric Cormack program concentrates on activities within the Centre (although a few go off site for activities such as swimming). The costs involved include staff and the costs of activities such as craft supplies.

The costs associated with operating the Eric Cormack Activity Program are:

Staff and administration	$426,000
Supplies and Services	$25,400
Total	$451,400

Thus the average monthly cost per case is $737.

The Community Homes Activity Program involves supporting individuals to participate in activities in the community. Since these individuals are receiving AISH, they pay for their own activities and the supplies and services costs are less. This program serves about 30 of the residents of the community homes.

The costs associated with operating the Community Home Activity Program are:

Staff and administration	$487,400
Supplies and Services	$12,700
Total	$500,100

Thus the average monthly cost per case is $1,389.

Calgary

In Calgary, the operated facilities are residential services at Bow Park Court and Scenic Bow and a community access program at Parkmont.

Bow Park Court has three, eight bed group homes that accommodate nineteen permanent residents. All of the residents have high needs, including medical, and seven are children who, presumably, will be transferred to Children's Services. Ninety percent of the residents are on tube feeding due to choking dangers, and are non-ambulatory. These residents receive modified AISH and the budget for Bow Park includes supplemental support for items such as clothing and food.

Amongst the three homes there are five spaces for out of home respite.

The costs associated with operating Bow Park Court are:

Staff and administration	$1,728,000
Supplies and Services	$176,700
Total	$1,904,700

Thus the average monthly cost per case is $6,613.

Scenic Bow provides fifty-four residential spaces for individuals who are in receipt of AISH. Twenty-four hour staffing is required.

The costs associated with operating Scenic Bow are:

Staff and administration	$3,341,300
Supplies and Services	$278,100
Total	$3,619,000

Thus the average monthly cost per case is $5,585.

Parkmont provides a staffing ratio of 1:4.5 and individuals receive both one on one for part of a day, and group services. The participants bring their lunch and since they have AISH pay for their own user fees. However, the program does provide towels, laundry, diapers etc. Parkmont serves forty-six individuals.

The costs associated with operating Parkmont are:

Staff and administration	$693,700
Supplies and Services	$81,200
Total	$774,900

Thus the average monthly cost per case is $1,403.

South

To complete the comparison of operated facilities, the consultants reviewed the operations of two facilities in the South Region that were formerly operated facilities but are now run on contract with health authorities. Both facilities are located next to hospitals. Bow Island is a centre for 30 medically fragile clients. Its monthly average costs are currently $5,491. Chinook in Fort McLeod normally has 31 clients although there are presently four vacancies. Its monthly average cost is $4,988.

Michener Centre

Michener Centre is a residential facility located on 360 acres within the City of Red Deer providing 24 hour residential and program support services to 466 adults with developmental disabilities. The Centre also operates a satellite facility for a further 26 residents: Youngstown Home, near Hanna. The majority of residents fall within the Severe and Profound levels of functioning and many are also severely physically disabled. Of the current residents 64, or 14%, are over 70 years of age while nine are under 30 years.

The trend towards community integration of developmentally disabled Albertans has had a significant impact on Michener Centre, with the number of residents decreasing by approximately 60 a year over the past several years. As a result, Michener Centre has closed residential buildings and consolidated resources wherever possible.

Emphasis on nurturing environment

Over the past few years the Centre has focused its attention on the individuality of its residents. In keeping with the purpose and philosophy of its Board 'to provide quality services in a nurturing environment which creates and fosters fulfilling, satisfying, enriched lives and which respects individual choice and control,' Michener Centre has divided its larger facilities into 53 distinct homes. These range in size from 4 to 15 residents per home, with a Home Coordinator and specific staff assigned to them. Within the smaller homes routines are more responsive to the needs of residents and more in keeping with the normal rhythm of daily activities. As a result, staff are familiar with individual residents and able to play a strong advocacy role in seeking resolution of concerns on their behalf. Programming has undergone a similar shift in emphasis, with most of the recreational activities being planned and coordinated out of the homes. Organizationally the structure and administrative systems have been modified to flatten the layers of management and bring decision making closer to the homes.

Specialized services and staff

Besides the residential and program support offered through Home Support Services, Michener Centre provides Rehabilitation and Specialty Services such as physical, occupational and speech therapy, psychological services, social services, pastoral care and volunteer services and a comprehensive Medical/Health Service providing 24 hour coverage, along with laboratory and x-ray services, a pharmacy and a dental clinic. Michener Centre's Client Advocate protects the human and civil rights of those who live at the Centre, encourages self advocacy and supports staff members, family members or guardians who wish to speak on behalf of a resident. In all, Michener Centre has approximately 800 permanent staff positions and 65 temporary or casual positions. Almost three-quarters of the staff are classified as either Residential

Care Workers or Rehabilitation Practitioners providing direct care or individual programs for residents. As well as the professional staff required for Medical/Health Services and rehabilitation & Specialty Services, a further 8% of the permanent staff are nurses. Food Services Housekeeping & Laundry Services are provided under contract. The staff involved in property, building and equipment maintenance are all employees of Alberta Infrastructure.

Michener Centre provides a number of services to people with developmental disabilities living in the community. About 15 people attend structured day programs, over 100 participate regularly in recreational or leisure programs through the Recreation Centre and over 200 are active patients of the Michener Centre dentist. In addition, consultation in the area of rehabilitation, social work and medical services is offered in the community and staff training opportunities are available to staff in community agencies.

Budget decreases as numbers dwindle

Over the past ten years Michener Centre's budget has dropped from $54 million to $40 million as the number of residents has declined. (In the past year 14 residents were transferred to the community and another 17 died). Administration accounts for 6% of the annual budget. Not included in the annual budget are the $3 million contributed by Alberta Infrastructure for property, building and equipment maintenance, which includes heat, light and telephone costs. Michener Centre has been under increasing pressure to reduce its annual budget as the number of residents has dropped, with the expectation that the dollars released will be transferred to the community to support those who have recently left the Centre. However, block funding and economies of scale make it difficult for the Centre to free up dollars unless there is a substantial decline in the resident population. Furthermore, there is a desire within Michener Centre to use any savings achieved to enhance their existing programs and facilities within the homes.

Monthly average cost per resident

Senior staff were asked to provide a monthly statement of expenditures for Michener Centre for November and December 1998. Since financial statements were not usually available on this basis, they provided a number of monthly estimates of supply expenses which does not include the cost of fixed assets. The expenditures for November 1998 are shown in Table 17. On the basis of 496 residents, it shows a monthly cost per resident of $6,508. Notably this is a lower monthly average cost per resident than Eric Cormack Centre in Edmonton or Bow Park Court in Calgary.

Michener Centre

Table 16
Monthly Expenditures for Michener Centre
November 1998

Cost Category	$
Home Support	1,636,428
Finance and Administration	309,320
Medical and Nursing Care	243,878
Food Services	252,170
Programs	189,809
Youngstown Home	114,424
Housekeeping	100,000
Professional Services	89,322
Long Term Disability	55,342
Transportation	45,776
Michener Recreation Centre	41,771
Executive	36,785
Human Resources	29,361
Pharmacy	24,926
Work Options	12,115
Payroll	9,096
Canteens	7,660
Emergency Response	3,937
TOTAL	**3,202,120**
Cost per client	6,508

Conclusions and Recommendations

The aging of the population with developmental disabilities will have an impact on services. The regions are concerned that there will be pressures on them to meet the rising demand for service. The 983 youth and children receiving funding through PDD instead of Children's Services is not consistent with the realigned mandates. The regions need to be working with Children's Services within their region to arrange for a transfer or reimbursement of the related dollars.

Some of the regions are concerned about the number of people receiving funding in their region whose primary diagnosis is not a developmental disability. Almost 600 clients fell into this category in November 1998. While it is important to ensure that people with special needs have their needs met, steps should be taken, first to verify this number, and second to review the funding eligibility of those clients.

On average, regions spent approximately 18% on internal administration in the year ending March 1999. Spending by the two regions in the North is above

average, presumably because of high travel costs. Conversely, the Central and South regions spent less on administration than average.

When examining funding distribution by level of support, it is notable that in both Individual and Contract Funding, between 60 and 70% of clients receive less than $2,000 per month. The greatest number of clients receiving in excess of $5,000 per month are on contract. The issue not reflected here is that 45% of clients receiving Individual Funding are also receiving contract dollars.

The provincial average cost per client receiving Individual Funding is $2,809. While the per cost case for Contract Funding appears to be at least half of this, there is concern about the accuracy of the Contract data. Edmonton and Central have the highest cost per case for all individually funded clients at approximately $3,000.

At the program level, the provincial monthly average for Individual Funding is $2,573 for Community Living Supports, with Edmonton and Central being above average. Employment Supports shows an average of $1,127, with the Northwest and Calgary regions being above average. Community Access Supports has a monthly average of $1,236, with Calgary and Edmonton being slightly above. Nevertheless, costs across the regions for these three programs do not seem to be significantly out of line.

Approximately 87% of spending by the regions in both Individual and Contract Funding is on direct client costs. The average administrative cost for Individual Funding for the province is 8.4%, lower than both the maximum (12%) and Contract Funding (13.5%).

With respect to the allocation of costs, while administration represents a small portion, there are strategies that could be considered to reduce it even further. For example, agency amalgamation could be encouraged in the interest of economies of scale. This could mean that some communities would no longer have their own agency to serve their members with developmental disabilities. The type of activities where partnering or sharing may be suitable include training, accounting services, supervisory staff, orientation to rehabilitation for new staff, and joint business. Enhanced use of technology might reduce costs in service delivery and strengthen program support and administration. Opportunities could be explored on a regional basis. The development of a regional infrastructure based on cooperation rather than interagency rivalry could result in efficiencies.

Given that salary costs are the largest proportion of all costs, it is critical that Provincial Board, in cooperation with the Community Boards, conduct a detailed survey and analysis of existing wage rates province wide for all positions funded by Individual or Contract Funding. This would provide a sound basis on which to make future decisions including wage increases and must precede any steps to control salary costs.

There are ways to control salary costs, but they could negatively affect the quality of service or undermine the principles of consumer choice, inclusion and other values intrinsic to PDD services. One such strategy would be to reduce the amount of one-on-one time and increase group size, making staff responsible for more people. Another approach would be to limit specialized support such as professional services.

Government operated facilities, including Michener Centre, are generally more expensive than community operated services. There are three factors that contribute to this. Staff turnover is low, and many staff are long-term employees at the top of their salary ranges. As unionized government employees they are paid higher than their community counterparts. In addition, because of the more complex medical needs in government operated facilities, the staffing mix there includes nursing staff. On the other hand, government operated facilities benefit from shared support services agreements for services such as payroll and financial services, computer systems support and human resources services.

Recommendations

1. **That a review of eligibility be conducted to see if clients with disabilities other than developmental disabilities should receive support elsewhere.**

2. **That a range of options to increase efficiency and reduce service delivery and administrative costs be explored and developed, particularly with respect to Contract Funding.**

3. **That service delivery costs for contract funded services be reported in a manner similar to that for Individual Funding.**

4. **That the Provincial Board, in cooperation with the Community Boards, conduct a detailed survey and analysis of existing wage rates province wide for all positions funded by Individual or Contract Funding.**

CONCLUSIONS AND KEY ISSUES

When the findings for this report are considered as a whole, several key issues begin to emerge.

- **The CSS is a viable management information system** to assist with tracking, planning and accountability; however, as it is now it presents a conundrum. The data is neither accurate nor complete, particularly for Contract Funding, and most regional staff will not use CSS for this reason. Further, regions say they do not necessarily have time to validate nominal roll data and input it into CSS. Meanwhile they are using their time to create and operate their own manual systems when much of the same information could be provided through CSS. Certainly, the regions' concern about the timeliness of the CSS reports is justified. Some of them also do not find the format of the CSS reports easy to use.

  These **problems with the system have to be remedied**. Then a concerted effort has to be made to sell the value of CSS -- not only to regional staff but also to service providers who do not always know why they are required to provide information. Regions must be encouraged to ensure their data is inputted and complete. This is why the provincial board needs to have internal systems staff who are sufficiently knowledgeable about the system and management requirements to be able to respond to regions' needs, develop and upgrade the system and provide training to regional staff. A thorough analysis of program numbers and costs cannot be undertaken until the CSS data is reliable. Several of the points below depend on having reliable data from the CSS.

- The **statistics** shown throughout the report are based solely on November 1998. Whether they are **typical or reflective of patterns needs to be established**. This can only be done by collecting data over time using the same tables and making comparisons by region, program and funding type. The CSS system is set up to provide client information for both Individual and Contract Funding. However, because service providers and regional staff think of the Contract side in terms of services to groups rather than individuals, staff are not always requesting, verifying or inputting nominal roll data for the contract side. This contributes to the contract data on the system being poor. Conversely, because the IF side is also a payment system, there is a natural incentive to provide the data required. As more and more clients move from Individual Funding into clustered or consolidated IF contracts, the reliability of the data becomes more suspect. Would the same incentive to service providers improve the quality of the contract data.

- The provincial PDD Board needs information on which to base its allocations to regions. The problem with basing allocation on cost per case is that this does not reflect either an accurate assessment of need or the quality of service provided. However, other cost-related information is available: new

client numbers and an aging population are examples. Projecting the potential number of new clients from Handicapped Children's Services and their likely service needs would assist with planning, as would examining the future cost implications associated with the aging of the client population. Will the average person with a developmental disability need more support as he or she ages? Demographic data needs to be tracked over time to establish patterns and respond to them appropriately.

- Manpower costs are thought to be the single largest factor in determining and controlling costs; however, **there is limited information available on wages and salaries for the industry**. The PDD Board needs this information for planning and allocation. Therefore, one of the next steps is to conduct a comprehensive study of wages and salaries. This information is critical to planning and forecasting costs. The Alberta Association of Rehabilitation Centres' publication, Creating Excellence Together, may be a starting point for this.

- Two findings from this report indicate that Individual Funding and Contract Funding are beginning to overlap. First, almost half of all Individual Funding clients are also receiving services through contract; and second, Consolidated IF seems to be emerging as a new approach that more regions are adopting. These two trends suggest **that it is time to review whether greater efficiencies could be obtained by rolling the two methods of funding together** wherever possible. It needs to be recognized that it would be impractical to fund some programs or services this way: Employment Supports and Individual Living Services are examples.

  In order for this to be considered, there would have to be a staunch commitment to the principles and philosophy of Individual Funding. For the purpose of viability, service providers would need assurance that they would continue to get their funding quarterly in advance. Steps would have to be taken to ensure providers collect and submit data on each client, a current requirement with which they do not all comply. One option is to make compliance a condition of funding. Another is to link data to the payment system through the CSS, similar to how IF is now. Anticipating service providers' concerns about the additional workload, there could be incentives. A two or three year contract is one option. Where service providers are providing more than one service to one individual, efforts would have to be made to bring those services together under one contract, thereby increasing administrative efficiencies.

  The benefits of this system become: the principles of Individual Funding apply to all, the regions will have more complete data on which to make decisions, accountability is improved, and administration time is saved by the regions because they could use CSS data instead of their own manual systems. Staggering contracts would also reduce administration. With less administration time going to contract negotiation and reconciliation, regional staff will have more time to spend on monitoring.

- Historically, funding allocations to regions have been based on previous spending patterns with increases being made by a set percentage across the province. Now, the provincial PDD Board is looking for criteria to help it allocate funds, and the regions are similarly expecting to see a sound set of agreed to indicators on which future funding decisions will be made. The criteria have to be reasonably broad and equitable while allowing for unique circumstances within each region. In the current system, CEOs who control costs and stay within budget run the risk of being penalized when allocations are made the following year. A way needs to be found to allow regions to retain and reinvest at least a portion of their cost savings.

  In its document, Chartering the Future Directions: 1999-2009, the Provincial PDD Board states its commitment to a set of directions for the future and the strategies required to achieve those objectives. **The Provincial PDD Board has to vouchsafe its commitment to persons with developmental disabilities and their families while working with Community Boards.** Community Boards are the only vehicle through which the Provincial PDD Board can ensure that *funding is directed to services which are meeting the expectations of people with developmental disabilities and their families.* It is through cooperation with the regions that the PDD Board will meet the objectives in the business plan.

  Therefore, in setting out criteria for the allocation of funding, the Provincial PDD Board must be guided by its business plan and the information that can be tracked and measured for each region. Average cost per case is one measure, but it is not sufficient because it does not take into account either the severity of the disability or the quality of the service provided. New clients coming into the system, demographic changes related to aging and wage costs are other possible measures – each of which will vary by region. And this is key: allowances will have to be made for regional variations.

  The next steps for the Provincial PDD Board must be to work with regions to identify mutually agreeable and suitable indicators, to allocate funds on the basis of those indicators and to hold regions responsible for proving their case where need exceeds the previous year's funding. However, in order for this or any allocation model to work fairly and systematically, sound data is needed. No case can be made without it. This review and, indeed, the report would have been quite different had reliable data been available from the start. If the "answers" lie in the data, CSS is the key to unlocking those answers. Therefore, the Provincial PDD Board and Community Boards must establish as a priority the revision and improvement of the Client Services System. Not only will this make their planning more effective, it will also provide the required accountability.